



Capital Planning & Investment Control (CPIC)

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Definition of CPIC

CPIC is a dynamic process in which IT investments are continually monitored throughout the life cycle.

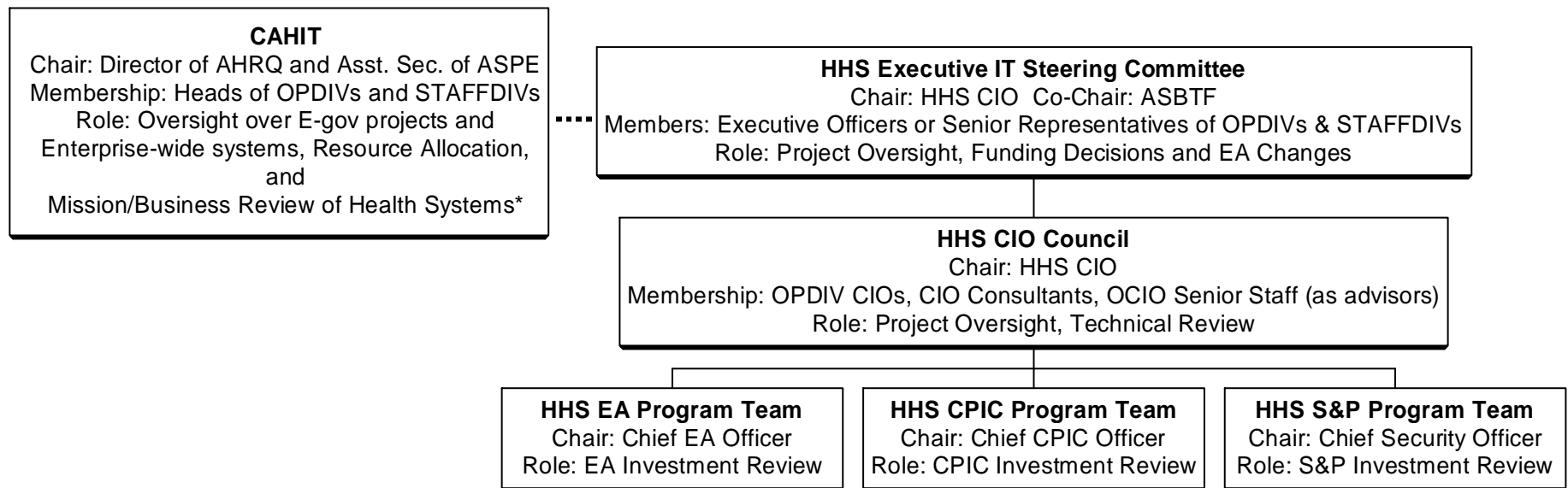


Status of HHS CPIC Program

- HHS CPIC Program Team is reengineering the HHS CPIC policies and procedures.
- This briefing will address only those items that OPDIVS are being requested to accomplish at this time.
- Updated briefings will be prepared once HHS CPIC policies and procedures are finalized.



HHS IT Governance Structure





HHS IT Governance Roles

- **HHS Executive IT Steering Committee:** Steering Committee recommends investments for the Secretary's Budget Council, provides large project oversight, ensures policy adherence, and identifies areas for collaboration. There is one vote per OPDIV on this board; therefore, the OPDIV CIO and the OPDIV senior representative must come to an agreement on the vote.
- **HHS CIO Council:** Two distinct roles: 1) HHS IT Issues for CIOs to discuss and 2) Technical review board that reviews investments and discusses issues raised from the working groups.
- **HHS TRBWG:** Working groups composed of OIRM and OPDIV staff that concentrate on a specific functional area, such as Enterprise Architecture, Capital Planning & Investment Control, or Security & Privacy.



Past HHS CPIC Process

- **SELECT**

- The selection of IT investments was largely driven as an outgrowth of developing the HHS IT Strategic Plan
- No rigorous well documented screening or scoring criteria and ranking of investments at a Department level took place

- **CONTROL**

- A Control process was in place, but it was not the traditional IT CPIC process
- Figure A Decision Points used not Select, Control, and Evaluate

- **EVALUATE**

- The Evaluate phase was not in place



Future HHS CPIC Process

- **SELECT**

- Select will be done at both the Department and OPDIV levels based on established review criteria
- A business case utilizing Exhibit 300 evaluation criteria will be used to justify IT investment funding
- A scoring team, comprised of business and IT staff, will be established to review investments and make IT portfolio recommendations to the CIO Council and the HHS Executive IT Steering Committee

- **CONTROL**

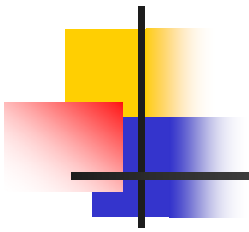
- Control reviews will take place at the department using a predefined scorecard
- Integration with the CIO mission areas will take place during this phase

- **EVALUATE**

- Best practices and lessons learned will be established through Post Implementation Reviews (PIRs)

HHS Level Review Criteria

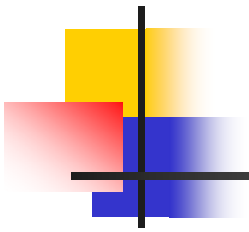
Level 1



Threshold	Criteria
Interoperability	Systems that impact more than one OPDIV through the sharing of data or facilities, or that impact other systems through outputs and inputs.
Cross-cutting	IT investments for which a single HHS-wide solution may be possible or for which a joint HHS team has been established or planned or that impacts more than one OPDIV.
New Technology	Technology that sets a new technological direction impacting the “to be” target enterprise architecture for an OPDIV or the Department.
Mission Critical/Sensitivity	Highly visible or sensitive systems, such as the President’s Management Agenda initiatives, Congressional mandates, Secretarial investments, etc.
Department CIO Requests	Any investment that the Department CIO requests to review.

HHS Level Review Criteria

Level 2



Threshold	Criteria
Annual costs	<u>Annual costs</u> including development, implementation, operations and maintenance, IV&V, consulting services, etc. of <u>\$5 million</u> or more.
Life cycle costs	<u>Full life cycle costs</u> including development, implementation, operations and maintenance, IV&V, consulting services, etc. of <u>\$20 million</u> or more.

HHS Level Review Criteria

Level 2

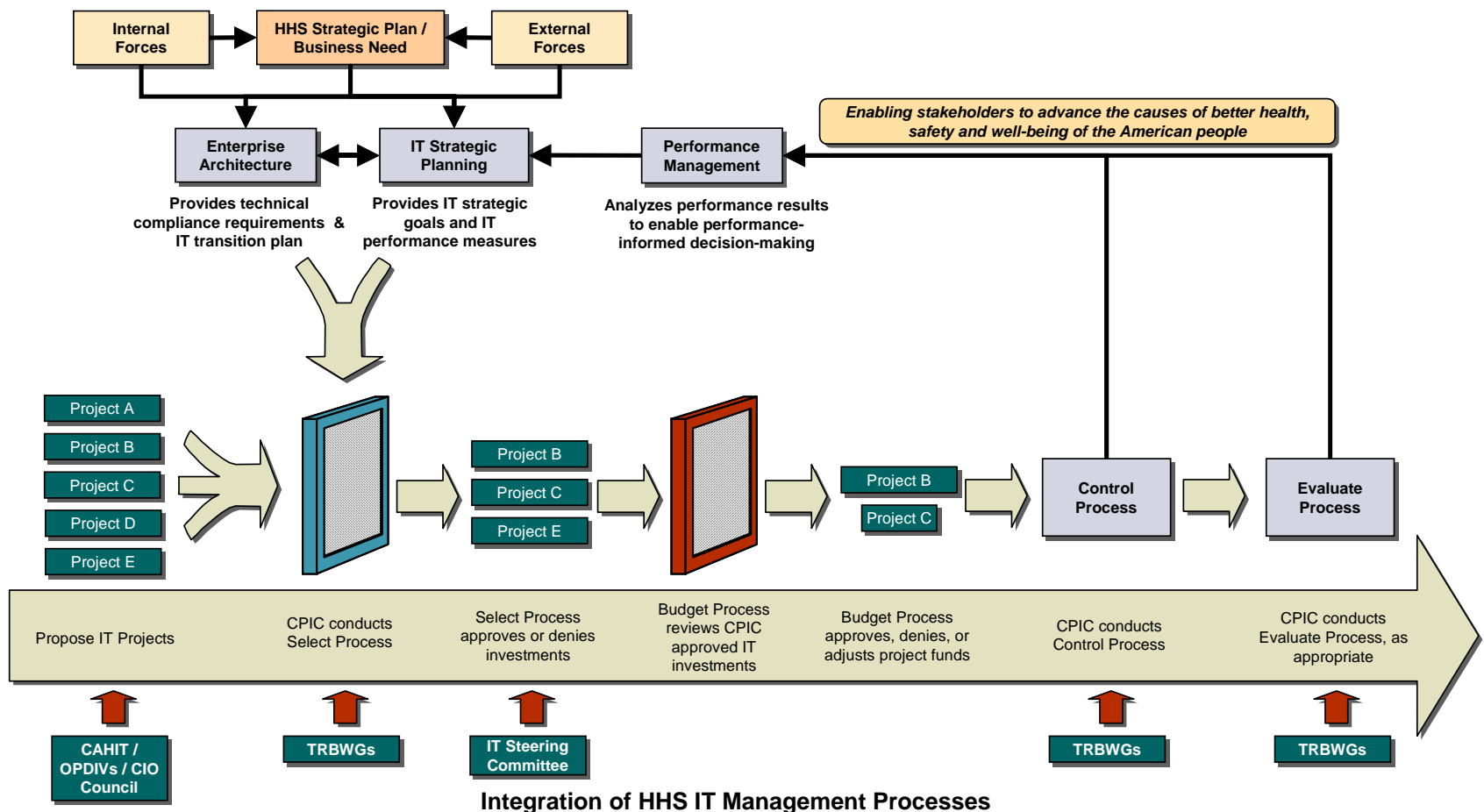
Threshold	Criteria
10% Cost, Schedule, or Performance Variance	<p>A project shall be identified to the Department's OIRM if it exceeds, or is projected to exceed, its cost, schedule, or performance goals by more than 10%. A project shall be identified to the Department's OIRM if it exceeds its projected cost, overruns its projected schedule, or fails to meet its performance goals by more than 10% in one quarter. The OPDIV is then responsible for developing, implementing and sharing with OIRM a corrective action plan (CAP).</p> <p>If the 10% variance continues for two consecutive quarters, the project will be a candidate for a Department level review to determine appropriate next steps. If the project is corrected to within the 10% variance window, the project shall be reviewed for the next TRB or ITIRB meeting to present their corrective actions as lessons learned for other projects.</p>



IHS IT Projects

Criteria	RPMS	NIPRS	TC	IFAS
Interoperability	✓	✓	✓	✓
Cross-cutting	✓	✓	✓	✓
New Technology	✓	✓	✓	✓
Mission Critical/Sensitivity	✓			
Department CIO Requests				
Annual costs	✓	✓	✓	✓
Life cycle costs	✓	✓	✓	✓
10% Cost, Schedule, or Performance Variance	✓	✓	✓	✓

IT Project Lifecycle





HHS FY06 Pilot Select Phase

- Investments will be scored using the standard Exhibit 300 categories:
 1. Acquisition Strategy
 2. Project Management
 3. Enterprise Architecture
 4. Alternatives Analysis
 5. Risk Management
 6. Performance Goals
 7. Security and Privacy
 8. Performance Based Management System
 9. Life-cycle Costs Formulation
 10. Supports the President's Management Agenda Items



HHS FY06 Pilot Select Phase

- A ranked list of investments that have been scored objectively will be forwarded from the Select Scoring Team to the CIO Council and the HHS Executive IT Steering Committee for review and to CAHIT for informational purposes.
- The approved portfolio will also be used to begin the OMB Budget process.



Questions
